

(6) The project benefits the long-term unemployed and members of low-income families who are residents of the area to be served.

(b) PWIP projects must create immediate useful work for the unemployed and underemployed residents in the project area.

#### **§ 305.5 Selection process.**

Projects will be selected in accordance with § 304.1 of this chapter.

#### **§ 305.6 Evaluation criteria.**

In addition to and/or as an elaboration of the evaluation criteria set forth in part 304 of this chapter of this chapter and to the extent practicable, evaluations are made on the basis of whether the proposed project:

(a) Assists in creating or retaining private sector jobs (primarily in the near term) and assists in the creation of additional long-term employment opportunities (provided the jobs have not been transferred from another commuting area of the United States) and will result in low costs-per-job in relation to total EDA costs, evidenced for example by:

- (1) Commitments to create such jobs;
- (2) Marketing; and
- (3) Financial capabilities of the applicant.

(b) Is supported by significant private sector investment.

(c) Maximizes the amount of local, state or other Federal funding that is available.

(d) Is likely to be started and completed in a timely fashion.

(e) If located in an EDC with a stable economy and little distress, an employment plan is required that explains how new employment opportunities for residents of nearby highly distressed redevelopment areas will be provided.

(f) To the extent possible, factors that will be considered in the evaluation of PWIP projects include whether the proposed project:

(1) Improves the economic or community environment in areas of severe economic distress;

(2) Includes an acceptable plan for hiring the unemployed and underemployed from the project area to work on construction of the project;

(3) Assists in providing long-term employment opportunities or other economic benefits for the unemployed and underemployed in the project area;

(4) Primarily benefits low-income families by providing essential community services, or satisfying a pressing public need;

(5) Involves construction which can be started (normally within 120 days after affirmation of the award), and completed quickly (normally within one year) preferably without early construction start; or

(6) Has significant labor intensity (i.e., the proportion of labor costs to the total project costs).

#### **§ 305.7 Award requirements.**

(a) Projects are expected to be completed in a timely manner consistent with the nature of the project. Normally, the maximum period for any financial assistance that is provided shall be not more than 5 years from the end of the fiscal year of the award.

(b) Matching Requirements are as follows:

(1) EDA may provide direct grants not to exceed 50 percent of the estimated cost of the project;

(2) Under certain circumstances supplementary grants to augment the direct grant may be provided up to a maximum of 80 percent of the eligible project costs, though waivers may be permitted in accordance with Section 101(c) of the Act. Supplementary grant assistance to finance over 50 percent of the project costs will be approved by EDA only for projects in areas of high distress. Decisions on such supplementary grant assistance will be based on the nature of the project, the amount of fair user charges or other revenues the project may reasonably be expected to generate, and the relative needs of the area;

(3) Applicants are required to provide the local share from acceptable sources;

(4) The local share need not be in hand at the time of application; however, the applicant must assure EDA that such share is committed and will be available at the time the award is accepted; and

(5) The local share must not be encumbered in any way that would preclude its use consistent with the requirements of the grant.

[60 FR 49678, Sept. 26, 1995, as amended at 61 FR 7983, Mar. 1, 1996]

### Subpart B—Supplementary and Overrun Grants

#### § 305.8 Supplementary grants.

(a) In the case of projects for which EDA supplements direct grants of

other Federal agencies, the total Federal funding may be up to 80 percent of the project's costs (except as allowed by paragraph (b) (1), (2) or (3) of this section).

(b) Based upon the kind of project, the severity of distress factors and revenue above and beyond the amount needed to amortize the local share, supplemental grants in excess of 50% may be awarded by EDA in accordance with the following Table:

Projects	Maximum grant rates (percent)
(1) Projects of American Indian Tribes which are concerned with general economic development will be given special consideration, and the Assistant Secretary may reduce or waive the non-Federal share for such projects .....	100
(2) Projects located in redevelopment areas designated under section 401(a)(6) of the act, applied for by States or political subdivision thereof which have demonstrated they have exhausted their effective taxing and borrowing capacity .....	100
(3) Projects located in redevelopment areas designated under section 401(a)(6) of the Act applied for by community development corporations (as defined in 13 CFR 300.2) which have demonstrated they have exhausted their effective borrowing capacity .....	100
(4) Projects located in redevelopment areas designated under section 401(a)(6) of the Act as special impact areas and which were not designated under section 401(a)(6) as a result of the October 12, 1976 amendment of section 401(a)(8) of the Act, but which cannot meet the requirement of paragraph (b)(2) of this section .....	80
(5) Projects located in areas designated under Title IV of the Act which have been declared disaster areas by the President of the United States under the Disaster Relief and Emergency Assistance Act (Pub. L. 100–707) as amended provided: .....	
(i) Such areas retain their EDA designations, and.	
(ii) No more than one year has elapsed since the date of such area's disaster area designation .....	80
(6) Projects located in areas designated under Title IV of the Act in which the median family income is \$12,100 or below, or the average unemployment rate for the preceding 24 months is 12 percent or higher .....	80
(7) Projects located in areas designated under Title IV of the Act in which the median family income is \$13,900–\$12,101, or the average unemployment rate for the preceding 24 months is 10 percent to 11.9 percent .....	70
(8) Projects located in areas designated under Title IV of the Act in which the median family income is \$15,700–\$13,901, or the average unemployment rate for the preceding 24 months is 8 percent to 9.9 percent .....	60
(9) Projects located in areas designated under section 401(a)(6) of the Act solely on the basis of the October 12, 1976 amendment of section 401(a)(8) of the Act by Pub. L. 94–487 .....	50
(10) Projects in all other areas .....	50

(c) The applicable maximum grant eligibility rate for projects located in EDDs pursuant to section 403(j) of the Act shall be the same as the grant rates for the redevelopment areas for which such projects are determined to be a direct and substantial benefit.

(d) Notwithstanding paragraph (c) of this section, an applicant shall be eligible for the highest applicable maximum grant rate in effect between the time EDA invites the application and the time the project is approved.

(e) Where municipalities of over 25,000 population qualify for designation under Title IV of the Act and part 302 of this chapter, but are located in areas already designated thereunder, such municipalities are eligible for the maximum grant under paragraph (b) of

this section as if they were designated independent of the existing redevelopment area. In determining the maximum grant rate for such municipalities, EDA will use the appropriate statistical information for the municipality involved, provided that consideration of such information will work to the municipality's advantage.

[60 FR 49678, Sept. 26, 1995, as amended at 61 FR 7983, Mar. 1, 1996]

#### § 305.9 Ten percent bonus supplemental grants.

(a) Subject to the limitation that the maximum Federal share for any project may not exceed 80 percent of the aggregate project cost or 100 percent for projects listed in § 305.8(b)(1)–